

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CONTRACT BETWEEN AMERICALL SYSTEMS OF)	
LOUISVILLE AND UNIVERSITY OF KENTUCKY)	
FOR PROVISION OF LONG-DISTANCE OPERATOR)	CASE NO. 90-044
SERVICES)	

O R D E R

On January 17, 1990, pursuant to an Order in Case No. 89-132,¹ AmeriCall Systems of Louisville ("AmeriCall") filed a special contract between AmeriCall and the University of Kentucky ("UK") for the provision of long-distance operator services. On February 23, 1990, the Commission issued an Order establishing this investigation pursuant to KRS 278.260 and 278.160 for full review of the contract and services provided thereunder. In that Order, the Commission expressed its concern that the use of direct access from UK to AmeriCall may block access to other carriers in possible violation of the Commission's Orders in Administrative Case No. 330² and may be inconsistent with the requirements of those Orders for the carriage of intraLATA traffic in those areas with equal access end offices.

¹ Case No. 89-132, The Provision of Operator Services by AmeriCall Systems of Louisville.

² Administrative Case No. 330, Policy and Procedures in the Provision of Operator-Assisted Telecommunications Services.

On March 9, 1990, an informal conference was held between members of the Commission's staff and representatives for AmeriCall. AmeriCall described the network configuration at UK and discussed the end-users, primarily students, ability to reach their carriers of choice. AmeriCall provided samples of literature widely distributed on the UK campus concerning the various options for placing long-distance calls. AmeriCall was requested to supply additional information identifying the carriers that are accessible from UK and the ways that students can access these carriers. AmeriCall provided its response on March 30, 1990.

In its response at page 5, AmeriCall indicated that UK's network permits access to the operator services of AT&T, GTE, MCI, US Sprint, and AmeriCall. It further noted that the UK switch permits the dialing of all 950-XXXX³ and 1-800 numbers, both of which are frequently used to access long-distance carriers. AmeriCall indicated that, at the present time, only AT&T and MCI are accessible through "10XXX"⁴ dialing. However,

³ "950-XXXX" is a number associated with Feature Group B switched access services. Usually, "XXXX" reflects a "0" or "1" in the first position, followed by a three-digit carrier identification code. For example, AmeriCall's Feature Group B access number is 950-1006.

⁴ "10XXX" is a number associated with Feature Group D switched access services, in which "XXX" again represents a carrier identification code. Feature Group D access is commonly referred to as "equal access" as it provides features that were once available only to AT&T and the local exchange carriers. Where such access is available, simply dialing "1" plus the telephone number will reach a carrier that has been preselected to carry long-distance traffic from that telephone. Usually, "10XXX" is only used to reach carriers other than the preselected carrier.

AmeriCall noted that UK's switch has not been intentionally modified to block "10XXX" access to other carriers, but rather, this equipment is unable to recognize this type of dialing because these codes did not exist when UK's switch was installed. UK has since made modifications to its equipment to allow it to process some of these codes, but not all of them, primarily because of lack of requests. AmeriCall contends that the blocking of "10XXX" is an issue only because this is the only dialing method that can be used to access AT&T's network from non-presubscribed telephone lines. AmeriCall notes at page 6, footnote 6, that unlike other carriers, AT&T does not offer its customers 950 or 800 access to its network.

With respect to intraLATA call completion, AmeriCall requests that this issue be severed from the instant docket as the issue arises from Administrative Case No. 330, which has not yet been concluded. AmeriCall further noted that this issue was considered in Case No. 89-132 and that consideration of this issue in this docket would result in a wasteful duplication of effort by both the Commission and AmeriCall.

Discussion

As noted in the February 23, 1990 Order, the Commission's primary concern with the UK special contract is the use of direct access between UK and AmeriCall. This concern arises because when direct access is used, all calls originated over this type of access will go directly to a specific interexchange carrier, bypassing the local exchange carrier's switching equipment. As this switching equipment provides specialized routing and

screening functions, bypassing this equipment could result in end-users being unable to reach other carriers or would allow an interexchange carrier to handle traffic it is not authorized to carry, i.e., intraLATA traffic.

With respect to the issue of access to other carriers, it appears that even though the local exchange carrier's switching equipment is bypassed, UK's switching equipment is acting as a substitute by routing calls to other carriers to the extent it can do so. UK's switch is connected to several outside lines, only a few of which go directly to AmeriCall. UK's equipment has a limited ability to recognize "10XXX" dialing patterns, but appears to be properly processing other dialing patterns commonly used to access long-distance carriers. As a result, users of telecommunications services at UK are capable of reaching their carriers of choice, provided that their carriers are serving the UK area. There is no evidence of deliberate blocking of access to carriers either by AmeriCall or UK. Furthermore, the condition of service contained in the Administrative Case No. 330 Order with respect to the blocking of access to other carriers states:

Access to the operator services of competing carriers shall not be blocked or intercepted; however, this requirement does not pertain in situations where the customers who have control of premises equipment are also the users and bill-payers of the services.

As the Commission did not explicitly specify the exact type of access, the fact that not all carriers can be accessed by "10XXX" dialing is not significant under these circumstances. The Commission only requires that access to the operator services of

competing carriers not be blocked or intercepted and as UK has taken steps to ensure that all carriers serving the area are accessible, the Commission finds that there are no violations of this requirement and, therefore, none of KRS 278.260.

With respect to the carriage of unauthorized intraLATA traffic, it is important to note that although the Administrative Case No. 330 Order contains some restrictions with respect to intraLATA call completion, whether or not it is in the public interest to allow intraLATA competition is not an issue in that proceeding. The Administrative 330 Order in this respect simply reflects the Commission's policy as it existed at that time with respect to intraLATA competition. Since that time, the Commission has issued an Order in Administrative Case No. 323,⁵ finding that a prima facie case exists that intraLATA competition is in the public interest. This was not the final Order in that proceeding and the implementation phase of that proceeding has not been concluded; therefore, this decision is not sufficient to justify allowing AmeriCall to compete in the intraLATA operator services market at this time. However, the Commission has allowed other interLATA carriers to use direct access in the

⁵ Administrative Case No. 323, An Inquiry Into IntraLATA Toll Competition, an Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality.

provision of some of their services,⁶ subject to certain conditions and, therefore, will allow AmeriCall to continue to use direct access to serve UK, subject to the same conditions imposed on other interLATA carriers.

This investigation was established pursuant to KRS 278.160 for the alleged violation of the "filed-rate doctrine." Special contracts, which by definition contain rates not filed in tariffs, are rates pursuant to KRS 278.160 and must receive prior approval from the Commission even for non-dominant carriers. However, in this investigation it has become apparent that AmeriCall's contract with UK is not a special contract in that AmeriCall has been charging its tariffed rates to telecommunications users at UK.

The Commission, having reviewed the evidence of record and having been otherwise sufficiently advised, hereby finds that there is no evidence that AmeriCall did not charge its tariffed rates and, therefore, no violation of KRS 278.260 or KRS 278.160 has occurred.

⁶ For example, Case No. 9874, AT&T Tariff Filing Proposing MegaCom/MegaCom 800 Service; Case No. 9902, US Sprint's Tariff Filing Proposing to Rename its WATS Products, Change Billing Calculations Methods for WATS, Introduce UltraWATS, TravelCard, Direct 800, and Ultra 800; Case No. 9928, MCI's Tariff Filings to Establish Prism Plus, Prism I, and Prism II Services.

IT IS THEREFORE ORDERED that:

1. AmeriCall shall measure and report interstate and intrastate jurisdictional usage and interLATA and intraLATA usage and shall file the reports with the Commission on a quarterly basis.

2. AmeriCall shall compensate local exchange carriers for unauthorized call completion based on schemes that may be established in Administrative Case No. 323.

3. If AmeriCall undertakes the necessary steps to restore its intraLATA operating authority through Case No. 89-132,⁷ then ordering paragraphs 1 and 2 herein shall no longer be applicable without further Orders herein.

4. Within 30 days of the date of this Order, AmeriCall shall file an amended contract with UK which requires compliance by UK with the Administrative Case No. 330 Orders that "access to the operator services of competing carriers shall not be blocked or intercepted."

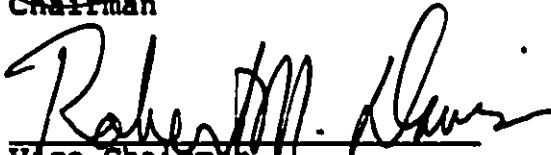
5. No further investigation is necessary; therefore, this case shall be and it hereby is dismissed.

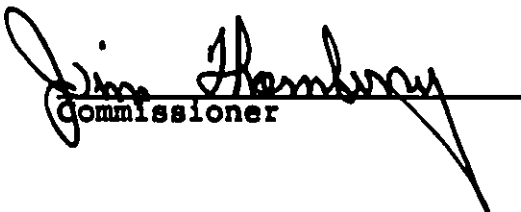
⁷ Case No. 89-132, The Provision of Operator Services by AmeriCall Systems of Louisville.

Done at Frankfort, Kentucky, this 2nd day of August, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director